

## Program Element 51: Public Health Modernization Budget guidance



Updated April 2026

### This update makes the following changes:

- Notes that LPHAs are not required to submit FY 2027 budgets or revised biennial budgets based on how much was spent in FY 2026.
- Describes alignment of revised PE 51 budget template with public health expenditure reports.
- Adds guidance related to allowable activities under subcontracts or grants using PE 51-01 or PE 51-02 funds.
- Adds examples of non-allowable expenses at the end of the Appendix.

This document provides budget guidance for PE 51-01 and PE 51-02 (State General Funds Public Health Modernization funding for individual LPHAs and regional funding). A budget is not required for PE 51-05 (CDC Public Health Infrastructure: Workforce). For additional fiscal information across all PE 51 subelements, including total statewide funding amounts, see [Local Public Health Authority PE 51 Public Health Modernization Funding Table](#).

### Allowable Expenses and Budget Requirements

#### Allowable Expenses: PE 51-01 and PE 51-02

Expenses included in PE 51-01 and PE 51-02 budgets must adhere to budget guidance noted below. Expenses must align with the LPHA's PE 51-01 public health modernization work plan or, for PE 51-02 fiscal agents, with the regional work plan. LPHA work plans and budget expenses must align with goals and requirements in Attachment 1 of PE 51, based on legislative intent for public health modernization.

See Appendix at the end of this document for examples of allowable PE 51-01 and PE 51-02 expenses.

The primary purpose of this funding is to implement public health modernization through strategies to build and sustain the infrastructure for public health foundational capabilities, communicable disease control, emergency preparedness and response and environmental health. **Most LPHAs will use most of this funding for personnel (LPHA staff or contractors) to plan, implement and**

**evaluate public health modernization efforts consistent with their approved work plan.** These funds are not intended to be used for clinical positions providing ongoing services. The use of PE 51 funds for one-time goods should be kept to a minimum. See below for more details regarding budget exclusions.

### **PE 51-01 and PE 51-02 – Budget Requirements and Budget Template**

In previous biennia, LPHAs were required to submit a revised budget for the second year of the biennium if underspent by more than 25% at the end of the first year. **Due to the change effective July 1, 2026 of Financial Assistance Awards covering the entire two years of the biennium, and to reduce administrative burden, LPHAs are not required to submit FY 2027 budgets or revised biennial budgets based on how much was spent in FY 2026.** An LPHA is required to submit a revised FY26-27 budget only if modifying their approved PE 51 budget by 25% or more within any budget category. There is no specific due date for revised PE 51 budget submissions; please submit revised budget if needed to [lpha.tribes@oha.oregon.gov](mailto:lpha.tribes@oha.oregon.gov).

The OHA-provided budget template includes separate tabs for PE51-01 and PE 51-02. The budget template requires narrative descriptions for certain expenses, including salaries and contracts. LPHAs may enter this information on the budget template or provide the information in a separate document.

The budget guidance below and the budget template has been updated to better align with OHA Public Health quarterly expenditure reports. LPHAs submitting a revised FY26-27 budget may choose to continue using the previous budget template version from the initially-approved PE 51 budget, to avoid the extra administrative steps of transferring the budget to the revised template, as long as the guidance below for each budget category is followed. (LPHAs will be required to use the updated PE 51 budget template for budgets to be submitted at a later date for the 2027-2029 biennium.)

Funds can be used for subcontracting with, or providing grants to, other organizations. Activities of PE 51-funded subcontractors or grantees must align with the LPHA's PE 51 work plan and PE 51 budget guidance, supporting implementation of public health modernization through strategies to build and sustain the infrastructure for public health foundational capabilities, communicable disease control, emergency preparedness and response and environmental health. Similar to the restriction noted above for direct LPHA expenditures of PE 51 funds, funds awarded to a grantee or subcontractor are not

intended to be used for direct services (other than as noted in the exclusions section below) and the use of PE 51 funds for one-time goods should be kept to a minimum. Please refer to the **Professional Services/Contracts** section in the table below for additional information about subcontracting requirements. OHA reserves the right to request budgets for funds awarded to subcontractors.

For PE 51-01 and PE 51-02 (state modernization funds) and PE 51-05 (CDC Public Health Infrastructure: Workforce), LPHAs are required to report on positions funded. This reporting is a requirement of the federal funding awarded through PE 51-05 and is being collected through a separate survey process. A budget is not required for PE 51-05.

Exclusions (PE 51-01 and PE 51-02)

1. Funds awarded may not be used for direct medical services, including but not limited to payment for durable medical equipment and supplies; vaccine and medications; staff, supplies, or equipment used to screen people at high risk or to confirm a diagnosis; or clinical education provided by a qualified health care professional.

Note: Use of PE 51-01 and PE 51-02 public health modernization funds may be allowable for delivery of direct public health services (e.g. immunizations or STI testing) only if all of the following apply:

- Services are necessary for disease and outbreak prevention, investigation and control, as part of a public health intervention addressing urgent or emergent needs.
- No other funding is available, including insurance coverage that may be billed, or existing funding is inadequate to meet communicable disease prevention and control needs.
- Services are targeted to high-risk populations in settings outside of routine clinical services. (In determining level of risk, LPHA may consider factors including but not limited to race or ethnicity, gender, education, income, disability, geographic location and sexual orientation.)
- LPHA has discussed the public health need with partners, including applicable health systems partners, and is working with partners to explore alternatives to LPHAs providing services using PE 51 funds.
- PE 51 funding will not be used to purchase any vaccine or pharmaceutical products.

Prior OHA approval is required for use of PE 51-01 or PE 51-02 public health modernization funds for delivery of direct services. Please describe planned activities and how they meet the criteria noted above within the PE 51 budget template or a separate narrative description submitted to OHA.

2. Funds awarded may only be used for the purchase of vehicles if the LPHA can describe how the purchase contributes to modernization goals and supports its modernization work plan. Prior approval by OHA is required before purchasing vehicles. Purchase of vehicles will be approved on a case-by-case basis. The vehicle may not be used primarily for provision of direct clinical medical or behavioral health services and the LPHA would need to comply with any existing LPHA/county policies on vehicle purchases.
3. Funds awarded may not be used for research or political actions.
4. Funds awarded may not supplant state, local, other non-federal, or other federal funds. Funds may not be used to supplant state covered services, nor to replace services required under the existing Public Health Financial Assistance Agreement. In developing the framework for Public Health Modernization, the overall intent of the 2014 Task Force on the Future of Public Health Services was for the total local investment in public health services to be maintained or increased, not supplanted by increased state investment in public health. While local funding may shift within an LPHA's budget, the goal is that state public health modernization funds do not supplant overall local investment in public health.

Budget amendments (PE 51-01 and PE 51-02)

1. Modification to the approved budget of 25% or more for any budget category may only be made with OHA approval.
2. Purchase of equipment, vehicles or capital improvement (building or land) expenses may only be made with OHA approval.
3. LPHAs should monitor whether they are on track to expend their entire PE 51-01 (and PE 51-02, if applicable) award by the end of the biennium (June 30, 2027). If LPHA expects to not expend all PE 51 funds, please notify OHA and OHA will work with the LPHA to determine a reduced award amount.
4. OHA may request revised budgets or additional information on expenditures on an as-needed-basis.

**The PE 51-01 and PE 51-02 budget templates include the categories listed below.**

**Please review the following list of budget categories to ensure expenses are entered in the correct row in the budget template and descriptions related to PE 51 requirements are entered where needed.**

|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <b>Personal Services: Salary</b>          | <p>List each position on a separate line. For each position, include the position title, annual salary, FTE as a percentage, and the total number of months the position will be funded. The total salary will automatically calculate.</p> <p>Include a brief description for each position describing their primary responsibilities and how those support PE 51 requirements. Positions that provide direct medical services or clinical education provided by a health care professional will not be approved. Positions must align with the LPHA's PE 51 work plan, based on goals and work plan requirements listed in PE 51.</p>                                                                                                                                                                                                                                            |
| <b>Personal Services: Fringe Benefits</b> | <p>List the base-rate, if applicable, and the total amount for fringe benefits. Enter a brief description of the method to determine the fringe benefit amount if not a flat rate.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Professional Services/Contracts</b>    | <p>List each contract and the name of the subcontractor (if known) along with the anticipated amount of the subcontract and a brief description of the work to be completed. Activities of PE 51-funded subcontractors or grantees must align with the LPHA's PE 51 work plan and PE 51 budget guidance.</p> <p>LPHAs may enter a line item for "unobligated contract funding" if the LPHA will reserve funds for future contracts that have not yet been determined. A brief description of the intent for the contract must be provided.</p> <p>All subcontracts are subject to all applicable subcontractor provisions outlined in the Public Health Intergovernmental Agreement for the Financing of Public Health Services.</p> <p>Refer to the <a href="#">Guidance for Local Public Health Authorities on Monitoring of Subcontractors</a> for monitoring requirements.</p> |
| <b>Travel and Training</b>                | <p>In-state: Provide a narrative statement describing proposed in-state travel. Include local mileage as well as per diem, lodging</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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|                           | <p>and transportation. Federal per diem rates limit the amount of reimbursement for in-state travel: <a href="http://www.gsa.gov/perdiem">www.gsa.gov/perdiem</a>.</p> <p>Out-of-state: Travel to attend out-of-state events or conferences is permitted if content is applicable to PE 51 requirements. Provide a narrative statement that includes the name of the event or conference, and how the proposed travel is related to PE 51 requirements. Include amounts for per diem, lodging, transportation, registration fees, and other expenses. Federal per diem rates limit the amount of reimbursement for out-of-state travel: <a href="http://www.gsa.gov/perdiem">www.gsa.gov/perdiem</a>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>General Supplies</b>   | <p>Provide a total amount for allowable supplies, including office or meeting supplies, that contribute to meeting PE 51 requirements. Supplies must be both purchased and received by the end of the biennium. Supplies do not need to be listed individually.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Other Direct Costs</b> | <p>List expenses for items not listed in other budget categories. Items listed in this section <b>must directly contribute to meeting PE 51 requirements</b>. Other items may include:</p> <ol style="list-style-type: none"> <li>1. Telephone, rent, copying, printing, postage, and mailing that are directly related to program activities;</li> <li>2. Software purchases and upgrades, software licensing fees;</li> <li>3. Educational materials;</li> <li>4. Paid media campaigns (must include justification that describes how campaigns are related and essential to specific activities in the work plan);</li> <li>5. Purchase of meals for meetings (allowable for meetings only if more than 50% of meeting attendees are not LPHA/county employees). LPHA must document attendance, including name and affiliation, for all meetings where food is provided; PE 51 funds may not be used to purchase snacks or beverages intended primarily for LPHA/county staff consumption in the office or in other settings);</li> <li>6. Accreditation and reaccreditation fees;</li> <li>7. Gift cards/incentives (If expenditures are allocated to the purchase of incentives, incentives may only be given to community partners/ community members who are participating as individual community members and not as part of paid job duties while representing their employing organization. Incentives may not be given to public health</li> </ol> |

employees. LPHA must document distribution of incentives, once purchased. If LPHA provides gift cards to a CBO, or provides PE 51 funds to a CBO to purchase gift cards, the LPHA is responsible for oversight of purchase and distribution. If purchasing gift cards using PE 51 funds, LPHAs must comply with the guidelines noted below.)

**OHA PE 51 Gift Card Guidelines** – The following limitations and requirements apply to LPHA purchases of gift cards to be distributed as incentives, either directly or through a CBO partner.

- Unless otherwise approved by OHA, gift cards used as incentives may not value more than \$100 total per individual, per event.
- Unless otherwise approved by OHA, LPHA may not use more than \$10,000 in gift cards for incentives.
- Gift cards may exceed the \$100 or the \$10,000 limit only if approved by OHA as part of an approved PE 51 work plan. Gift cards exceeding the limits noted above must be used in accordance with the specifics of the approved work plan.
- Gift cards may be issued by Visa, Mastercard, or individual retailers.
- Gift card may not be used for alcohol, tobacco, or firearms.
- Gift cards expensed to PE 51 must be distributed to incentive recipients before the end of the award period or cash equivalent of unused gift cards must be reduced from total expenses reported for the PE in the last quarter of the award period.
- Gift card purchases and distribution must be tracked using the [Gift Card Tracker provided by OHA](#) or an LPHA's own tracker.

Funds may not be used to provide direct services, as defined above.

**Total Direct Costs**

The total direct costs will auto-fill on the worksheet. Confirm that the amount is correct.

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| <b>Capital Outlay</b>       | <p>List any individual equipment, vehicle or capital improvement (building or land improvements) expense costing \$10,000 or more and with a life expectancy of more than one year.</p> <p>OHA may request additional information on proposed purchases. All purchases must directly contribute to meeting PE 51 requirements.</p> <p>Equipment (items with a life expectancy of more than one year), vehicle and capital improvement expenses regardless of cost must be pre-approved by OHA. (If under \$10,000, individually list under “Other Direct Costs”.)</p>                                                                                                                                             |
| <b>Total Indirect Costs</b> | <p>Indicate the cost allocation or indirect rate, or specify multiple allocation base (MAB), if applicable. Then enter the total amount for indirect charges. If you are entering an indirect rate, you may enter a percentage up to the de minimis rate (15%). If you are exceeding the de minimis rate, please describe how the indirect rate in your PE 51 budget has been determined (typically this would be an LPHA’s federally negotiated indirect rate if it exceeds the de minimis rate). Do not apply cost allocation or indirect charges to capital outlay expenses. Indirect rate should be applied to the total direct costs amount, or a subset of direct costs, as per local agency practices.</p> |

### **Fiscal reporting (All PE 51)**

LPHAs must report expenses on the quarterly expenditure report.

### **For questions or more information**

Send PE 51 program or budget questions to the Office of the State Public Health Director’s Local and Tribal Public Health Team [lpha.tribes@oha.oregon.gov](mailto:lpha.tribes@oha.oregon.gov).

## Appendix: Examples of allowable expenses: PE 51-01 and PE 51-02

Most LPHAs will use most of this funding for personnel (LPHA staff or contractors) to plan, implement and evaluate public health modernization efforts consistent with their approved work plan. The use of PE 51 funds for one-time goods should be kept to a minimum. LPHAs may be asked to justify how a requested expense aligns with PE 51 goals. In general, expenses will be allowed if they

- adhere to the budget guidance noted above AND
- align with the LPHA's work plan for public health modernization, or regional work plan for PE 51-02. (LPHA work plans must align with goals and work plan requirements listed in Attachment 1 of PE 51, based on legislative intent for public health modernization.)

The following are examples of PE 51-01/PE 51-02 expenses based on actual requests OHA has received from LPHAs, which would generally be allowed if the criteria noted above are met. These are examples only, not intended to be an all-inclusive list of allowed expenses. OHA approval is required for purchase or lease of vehicles, any capital equipment purchases (items with a value of \$10,000 or greater) and any modification to the approved budget of 25% or more for any budget category.

- Back-up generator for public health building.
- Update website to improve functionality and access for those who speak languages other than English.
- Purchase or lease of a vehicle if necessary for travel by public health modernization staff.
- Rent or lease workspace specifically for PE 51-funded staff.
- Weather emergency kits to distribute to schools and other facilities. (Note: Before providing supplies or equipment to schools or other partners using PE 51 funds, determine if other funding may be available. As noted above, purchase of one-time goods should be kept to a minimum.)
- Expenses for strategic planning, including contracting facilitators and offsite facilities, and staff time (for staff funded by public health modernization; time for other staff to participate should be funded through their usual funding sources). Note restrictions in budget guidance above related to use of PE 51 funds for purchase of meals.
- Training and workforce development for public health staff related to foundational capabilities.

- Development of a library for professional development.
- Paying for staff's professional certificates (allowed if certificates are in areas related to LPHA's public health modernization work plan, e.g. communicable disease, environmental health, or emergency preparedness).
- A new position to update county emergency plans (allowed if plans to be reviewed/updated are health-related).
- Clinical practitioners - only allowed if paying for work tied to the LPHA's modernization plan and PE 51 (e.g. providing community health education; services related to disease/outbreak prevention, investigation and control as part of a public health intervention addressing urgent or emergent needs that cannot be met through other funding sources, in alignment with PE 51 budget guidance; supporting program infrastructure within LPHA); PE 51 may not pay for staff costs related to providing direct client services (e.g. WIC) or medical services.
- Signs, furniture and equipment for a new office location that has expanded access to services.
- Equipment and supplies for education/outreach events (e.g. projector/screen equipment, tablets and software for surveys, promotional items such as branded pens, hand sanitizer, etc.)
- Expenses tied to local or regional Community Health Improvement Plan (CHIP) priorities or other public health prevention initiatives that are responsive to the needs of the community, e.g. STI home test kits or gun safety lock boxes.
- Funds to CBOs, if CBO uses funds in a manner that aligns with PE 51 budget guidance, as noted above.

The following are examples (not a comprehensive list) of a few types of expenses that would not be allowable using PE 51-01/PE 51-02 funding, based on actual requests OHA has received from LPHAs:

- Funding a CBO to provide direct services, such as exercise classes
- Providing funding to operate a food pantry
- Purchasing meals or drinks for LPHA staff (other than for meetings where more than 50% of meeting attendees are not LPHA/county employees).

Please email [lpha.tribes@oha.oregon.gov](mailto:lpha.tribes@oha.oregon.gov) if a PE 51 budget modification may be needed after an LPHA's initial biennial budget has been approved. (See budget amendments section above.)